



Use of SWOT/TOWS Technique to Strategically Improve a SME Business

Dan Tenney Ph.D.(c)
Advisor: Dr. Nasir Sheikh
Department of Technology Management
School of Engineering
University of Bridgeport, Bridgeport, CT

ABSTRACT

Business success is defined by the company in terms of what motivates, drives and sustains the organization. The proper predictor tools to be utilized are those that engage the Operating Management Team, cover a proper scope of evaluation and provide a pathway to executing a game-plan for success. SWOT/TOWS is such a tool that identifies the critical Strength, Weakness, Opportunity and Threat factors that need to be addressed to drive business success. This work presents a case study that explores how to identify and use the SWOT/TOWS tool in a technically-oriented Small Medium Enterprise (SME) that was used to predict how to grow the SME and then form the foundation of a strategic business road map to guide and implement its growth success.

INTRODUCTION

Multiple factors influence business results and can be categorized as either quantitative or qualitative. A review of techniques and practical application has been applied. The use of well-known strategic tools was evaluated with the use of SWOT/TOWS as a specific emphasis. SWOT/TOWS is a tool that evaluates an organization’s Strengths, Weaknesses, Opportunities and Threats and creates specific strategies for and against these four categories. SWOT/TOWS strategies combat threats and augments strengths. Strategically, Technology Companies need to understand their SWOT, and then use this information for competitive advantage and growth. It has been illustrated that a strategic road map was developed that should be used to implement the SWOT/TOWS strategies.

METHODOLOGY AND BODY

SWOT/TOWS methodology determines the internal factors (Strengths and Weaknesses) and external factors (Opportunities and Threats) and then takes these specific factors and forms a strategy of SO,ST, WO, and WT which are used to build a strategic business plan.

Summary of SWOT/TOWS strategies improvement recommendations for SME Case Study:

- Strength and Opportunities (SO) Strategies: Use nimble entrepreneurial engineering problem solving skills.
- Strength and Threats (ST) Strategies: Develop priority marketing plan and enhance marketing skills.
- Weakness and Opportunities (WO): Develop sales team and broaden critical function skills/resources/priority
- Weakness and Threats (WT): Acquire market knowledge, enhance GM/operating team, hire dedicated technical manager.

SWOT/TOWS MATRIX

STRENGTHS - S		WEAKNESSES - W
1. Advanced manufacturing capability		1. Organizational structure is too dependent on Jim (CEO?)
2. Problem solving ability		2. Lack of customer diversification
3. Strong and experienced management team		3. Weak external sales team
4.Integration of oil and natural gas industry		4. Age of management team
5. Tenacity and synergism of the company		5. State of Art Production line is limited to one line
6. Ability of putting technologies together		6. There is no 3D Xray
7. Extensive capabilities including design, prototype, qualify, procure, manufacture, test, inventory, deliver, warrant, and repair		7. Automated Optical Inspection needs upgrade
8. Wide product and service variety		8. Weak RF Equipment and Experience
9. State of the Art Printed Circuit Board Capabilities		9. Limited Financial Ability
10. Reliable brand name with a proven past performance		10. Efficiency of instituting and maintaining quality programs
OPPORTUNITIES - O	SO STRATEGIES	WO STRATEGIES
1. Management keeps one company and one focus, and things outside are separate company	1. Use Engineering / Problem Solving competencies to expand Sales in determined areas 2. Use nimble / entrepreneurial skills to capture expanding markets ahead of others	1. Develop Sales team and processes to focus on the prioritized markets and penetration
2. Turnkey and RF products		2. Develop and broaden critical functions
3. Different industry channels such as electronics industry, defense industry, medical industry		3. Provide backup through cross-training in areas of Finance, General Management, Quality, and core Technical Skillsets
4. UAV/UAS Unmanned Vehicles		
5. Expand 3D Printing		
6. Expand Trade Shows		
7. Identify focus of Kimchuk's Capabilities by customer needs		
8. Expand Sales Territory		
THREATS - T	ST STRATEGIES	WT STRATEGIES
1. Insufficient cash flow due to customer changes, push outs, and delays	1. Develop plan to focus on priority business/markets that utilizes stealth design and problem solving skills 2. Develop Marketing skill sets to assist with focused market penetration	1. Develop or acquire through contract, Market knowledge
2. Competition and pricing pressures		2. Develop a General Management plan to expand competency of critical staff
3. High volume and low margin products		3. Hire a Technical/R&D Manager
4. High risk of lack of market being served		4. Jim to focus on Plan Development
5. Knowledge of potential customer solvency and capabilities		
6. Lack of knowledge of markets served		
7. Jading the customers due to salesman turnover		
8. Lack of viable leads		

SWOT/TOWS USED TO DEVELOP STRATEGIC BUSINESS ROAD MAP

Develop Vision Statement
Develop Mission Statement
Develop Marketing/Business/Strategic Plan (in that order)
Determine Market Focus
Determine Financial Targets
Create Human Resource Plan
➤ Develop requirements; attain and retain
➤ Assure on-going succession planning
Implement Plan Actions
Manage and Measure
➤ Core monthly/ quarterly/ annual evaluation
➤ Apply prioritized corrective action as necessary
Perform Marketing/Business/Strategic planning updates annually

CONCLUSION

SWOT/TOWS is a business predictor tool, that when used with the proper cross-functional team approach, is very effective. It exploits weaknesses and threats while highlighting strengths and weaknesses. The first stage to executing any strategic plan is the awareness of your business, and SWOT/TOWS creates that awareness. The case study SME developed a Strategic Road Map using the SWOT/TOWS technique as a methodology to determine what was critical to the business to meet its 2x growth target.